ORIGINAL

0000057331

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2006 AUG 25 P 2:50

AZ CORP COMMISSION
DOCUMENT CONTROL

JEFF HATCH-MILLER
Chairman
WILLIAM MUNDELL
Commissioner
MIKE GLEASON
Commissioner
KRISTIN MAYES
Commissioner
BARRY WONG
Commissioner

IN THE MATTER OF THE STAFF'S REQUEST FOR APPROVAL OF COMMERCIAL LINE SHARING AGREEMENT BETWEEN QWEST CORPORATION AND COVAD COMMUNICATIONS COMPANY

DOCKET NO. **T-03632A-04-0603**
T-01051B-04-0603

Arizona Corporation Commission
DOCKETED

AUG 25 2006

DOCKETED BY

QWEST CORPORATION'S REPLY TO COMMISSION STAFF'S SUPPLEMENTAL BRIEF

I. Introduction

Pursuant to the Procedural Orders issued in this matter on June 23 and August 11, 2006, Qwest Corporation submits this reply to Commission Staff's supplemental brief.

In its supplemental brief, Qwest described the provisions of the Telecommunications Act of 1996 ("the Act") and the FCC's *Declaratory Order* establishing that the "interconnection agreements" carriers are required to file with state commissions for review and approval are, in the words of the FCC, limited to "*only* those agreements that contain an *ongoing obligation relating to section 251(b) or (c).*"[1] Staff acknowledges in its supplemental brief that Qwest no

[1] Memorandum Opinion and Order, *In the Matter of Qwest Communications International, Inc.*

longer has any obligation under Section 251 to provide the line sharing element that is the subject of the Commercial Agreement at issue in this docket.[2] It is thus undisputed that the Commercial Agreement does not involve any ongoing obligations relating to Section 251(b) or (c). Accordingly, under the unambiguous standard established in the *Declaratory Order*, the Commercial Agreement cannot be an "interconnection agreement" that is subject to review and approval by this Commission.

As Qwest also discussed in its supplemental brief, the only federal court in the country that has considered whether a commercial agreement for line sharing is subject to the Section 252 filing requirement has ruled that it is not. It is striking that although *Qwest Corporation v. Montana Public Service Commission*[3] involved the very same Commercial Agreement at issue here, Staff never mentions the decision, much less discusses it, in its supplemental brief. Indeed, it is not possible to distinguish the Montana court's clear ruling that "[b]ecause line sharing . . . is not an element or service that must be provided under section 251, there is no obligation to submit the [commercial agreement] to the PSC for approval under section 252."[4]

In conflict with the Montana decision and the *Declaratory Order*, Staff devotes much of its brief to the argument that the filing requirement is not limited to agreements containing obligations relating to Section 251(b) or (c). Qwest addresses the flaws in this argument in the discussion that follows. However, it is revealing that Staff once had a very different view of the reach of the Section 252 filing requirement. In a proceeding before this Commission in which Qwest's obligations to file certain agreements under Section 252 was at issue,[5] Staff discussed

---

Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under Section 252(a)(1), WC Docket No. 02-89, 17 FCC Rcd. 19337, ¶ 8, n.26 (Oct. 4, 2002) ("*Declaratory Order*") (emphasis added).

[2] Staff Br. at 7.

[3] CV-04-053-H-CSO, Order on Qwest's Motion for Judgment on Appeal (D. Mont. June 9, 2005).

[4] *Id.* at 14 (emphasis added).

[5] *In the Matter of Qwest Corporation's Compliance with Section 252(e) of the Telecommunications Act of 1996,* Docket No. RT-00000F-02-0271 (the "Unfiled Agreements Case").

the filing requirement and the *Declaratory Order* at considerable length. There, Staff endorsed the same standard adopted by the Montana court and advocated by Qwest, stating to this Commission as follows:

> As the FCC stated in its Declaratory Ruling, the label or name of an agreement is not controlling as to whether it needs to be filed or not; *rather one must look at the substance of the agreement to determine whether it contains ongoing obligations relating to Section 251(b) and (c) services.*[6]

Staff had it right the first time. As is clear from the language of Section 252, the *Declaratory Order*, the Montana decision, and the decisions of other state commissions involving the Commercial Agreement, the different standard that Staff advocates in this docket conflicts with governing law.

II. Discussion

A. Staff's Analysis Rests On The Flawed Assumption That There Are No Practical Limits On The Agreements That Are Subject To Review And Approval By State Commissions.

Relying on the statement in Section 252(e)(1) that "[a]ny interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission," Staff contends that this language does not limit a state commission's review and approval authority and that the filing obligation is therefore very broad. The flaw in this contention is that it ignores the language in Section 252(e)(1) that expressly limits the filing requirement to "interconnection agreements." Significantly, Congress did not require the filing of "any agreements" between carriers; instead, it expressly limited the filing requirement to "any *interconnection agreement*," which is a finite category of agreements. As described above, in its role as the federal agency charged with administering the federal Telecommunications Act, the FCC has defined the "interconnection agreements" subject to the filing requirement as being limited to "*only* those agreements that contain an *ongoing obligation relating to section 251(b)*

[6] Staff's Reply Brief in Unfiled Agreements Case at 5, filed May 15, 2003 (emphasis added).

or (c)."[7]

A related flaw in its argument is that Staff never puts forth a limiting standard on the agreements that carriers are required to file with state commissions for review and approval. Instead, Staff's argument assumes there are no limitations, making it to difficult to imagine any agreement between two carriers that would not fall within Staff's version of the filing requirement. Again, this interpretation of the filing requirement conflicts directly with the *Declaratory Order*. In that order, the FCC addressed virtually the same contention presented by the Office of the New Mexico Attorney General and the Iowa Office of the Consumer Advocate, both of which advocated, as described by the FCC, "the filing of *all* agreements between an incumbent LEC and a requesting carrier."[8] It was directly in response to its rejection of this contention that the FCC made clear that the filing requirement is limited to "only" those agreements containing "ongoing section 251(b) or (c) obligations." Thus, Staff is incorrect when it claims that its standardless filing requirement is not in any way "inconsistent with or preempted by Federal law or policy."[9]

The closest Staff comes to recognizing any limitations on the Section 252 filing requirement is in its discussion of the portion of the *Declaratory Order* in which the FCC identifies three examples of agreements that are not subject to the filing requirement. According to Staff, the FCC ruled that these three types of agreements – settlement agreements, order and contract forms for obtaining services, and certain agreements with bankrupt carriers – are the only exceptions to the Section 252 filing requirement.[10] However, Staff's characterization of that portion of the *Declaratory Order* is not accurate.

After ruling in the *Declaratory Order* that carriers are only required to file interconnection agreements involving ongoing obligations under Sections 251(b) and (c), the

---

[7] *Declaratory Order* at ¶ 8, n.26 (emphasis added).
[8] *Id.* (emphasis in original).
[9] Staff Br. at 7.
[10] Staff Br. at 9.

FCC declined to provide an exhaustive list of the types of agreements that meet or fall outside that standard. Thus, it stated that while it was defining "the basic class of agreements that should be filed," it was not "address[ing] all the possible hypothetical situations presented in the record before us."[11] At the same time, the FCC did address whether a small number of specific agreements at issue in another proceeding were within the Section 252 filing requirement. Applying the standard of an "ongoing obligation relating to section 251(b) or (c)," the FCC concluded that carriers are not required to file settlement agreements relating to "backward-looking" billing disputes, order and contract forms that CLECs submit to an ILEC to request service, or certain agreements with bankrupt competitors entered into at the direction of a bankruptcy court or trustee.[12]

The FCC's express statement that it was not providing an exhaustive list of the types of agreements that do or do not fall within the Section 252 filing requirement belies Staff's contention that the three examples cited by the FCC are a complete and exclusive list of the agreements that are not subject to the filing requirement. Moreover, the FCC's analysis of the three types of agreements it addressed reinforces that the controlling standard is whether an agreement contains any ongoing obligations relating to Sections 251(b) and (c). For example, in finding that settlement agreements involving "backward-looking" billing disputes are not subject to the filing requirement, the FCC emphasized that "a settlement agreement that contains an *ongoing obligation relating to section 251(b) or (c)* must be filed under section 252(a)(1)."[13] Similarly, in the same discussion, the FCC ruled that "agreements addressing dispute resolution and escalation provisions *relating to the obligations set forth in sections 251(b) and (c)* are appropriately deemed interconnection agreements" that are subject to the filing requirement.[14] At the same time, the FCC determined that settlement agreements which provide for only

---

[11] *Declaratory Order* at ¶¶ 10, 11.
[12] *Id.* at ¶¶ 12-14.
[13] *Id.* at ¶ 12 (emphasis added).
[14] *Id.* at ¶ 9 (emphasis added).

"backward-looking consideration" need not be filed because they "do not affect an incumbent LEC's *ongoing obligations relating to Section 251 . . . .*"[15] Thus, there should be no doubt about how the FCC's filing standard must be applied. When the FCC itself applied the standard to actual agreements, the determinative question was whether the agreements contained ongoing Section 251(b) or (c) obligations.

The examples provided by the FCC demonstrate that in determining whether an agreement must be submitted to a state commission for review and approval, a state commission must first analyze whether the agreement contains any ongoing obligations under Sections 251(b) or (c). As Staff itself stated in the prior proceeding cited above, *one must look at the substance of the agreement to determine whether it contains ongoing obligations relating to Section 251(b) and (c) services.*[16] Here, it is undisputed that the Commercial Agreement does not contain such obligations.

B. Staff Attempts Incorrectly To Convert A Process By Which Carriers Submit Agreements For Initial Review By State Commissions Into A Jurisdictional Grant Of Approval Authority.

In an attempt to support its position that state commissions have authority to review and approve virtually any agreement between two carriers, Staff quotes the FCC's statement in the *Declaratory Order* that "state commissions are well positioned to decide on a case-by-case basis whether a particular agreement is required to be filed as an 'interconnection agreement' and, if so, whether it should be approved or rejected."[17] Staff also relies on the FCC's related statement that "the state should determine in the first instance which sorts of agreements fall within the scope of the statutory standard."[18]

However, a plain reading of the *Declaratory Order* shows that the language Staff cites

---

[15] *Id.* at ¶ 11 (emphasis added).
[16] Staff's Reply Brief in Unfiled Agreements Case at 5.
[17] Staff Br. at 3-4.
[18] Staff Br. at 4 (quoting *Declaratory Order* at ¶ 11).

was intended to establish only that a state commission should conduct a review "in the first instance" to determine whether an agreement is an interconnection agreement that is subject to the commission's review and approval authority under Section 252. In other words, the first step in the process is for a commission to determine if an agreement is an "interconnection agreement." If the commission determines that the agreement does not contain ongoing obligations relating to Sections 251(b) and (c) and is thus not an interconnection agreement, it is without authority to require carriers to submit it for approval. Under Staff's approach, the first step is effectively eliminated, as it is assumed that virtually all agreements between carriers are subject to review and approval. This approach violates Section 252 and violates the *Declaratory Order*, since it would result in the Commission exercising approval authority over agreements that do not contain Section 251(b) or (c) obligations.[19]

C. Staff Incorrectly Interprets Section 252(a)(1).

Staff also attempts to support its position by citing Section 252(a)(1) and concluding that the reference in that section to agreements entered into "without regard to the standards set forth in subsections (b) and (c) of section 251" means that agreements unrelated to the duties in Sections 251(b) and (c) must be filed with state commissions for review and approval.[20] However, as Qwest discussed in its supplemental brief,[21] the first sentence of Section 252(a)(1) establishes that the Section 252 process, including the filing requirement, is not triggered unless there has been "a request for interconnection, services, or network elements *pursuant to section*

[19] There is no merit to Staff's suggestion that the *Declaratory Order* has limited effect because the FCC's *2004 NPRM* seeks industry comments relating to the filing requirements for commercial agreements. The fact that the FCC asked for comments on an issue raised by parties, as it routinely does in NPRMs, does not alter the binding legal effect of its existing rules and orders, including the *Declaratory Order*. Significantly, the FCC did not state that the NPRM modifies in any way its ruling in the *Declaratory Order* that only agreements containing terms and conditions relating to Section 251(b) and (c) services are subject to the Section 252 filing requirement.

[20] Staff Br. at 5.

[21] Qwest Br. at 4.

251." (Emphasis added). Because the Commercial Agreement was not preceded by a request "pursuant to section 251" and contains no Section 251 obligations, the Section 252 process and filing requirement were not triggered.

Staff would give no effect to the introductory clause of Section 252(a)(1) and, instead, would have the Commission focus on the last portion of the first sentence - "without regard to the standards set forth in subsections (b) and (c) of section 251 of this title" - to conclude the Commission has the authority to review the Commercial Agreement. When the opening clause of Section 252(a)(1) is given operative effect, consistent with fundamental rule of statutory construction that courts must construe statutes "to give every word some operative effect,"[22] it is clear that all that follows in that sentence must be read in the context of the services required by Section 251. Thus, as stated by the Montana district court, "section 252(a)(1)'s requirement that an agreement be submitted to a state commission is expressly premised on the agreement being for interconnection, services or network elements provided 'pursuant to section 251.'"[23]

Read in the context of the opening clause of Section 252(a)(1), the phrase "without regard to the standards set forth in subsections (b) and (c) of section 251 of this title" establishes only that following a request for services or elements subject to Section 251, an ILEC and CLEC are permitted to agree upon terms different from those that the Act prescribes for Section 251(b) and (c) services. For example, Section 252(c)(3), in conjunction with Section 252(d)(1), establishes that the prices for the UNEs an ILEC provides under Section 251 shall be "based on cost," which is a requirement the FCC has implemented by adopting the TELRIC pricing standard. The "without regard to" clause could give an ILEC and a CLEC the ability to agree

---

[22] *Cooper Industries v. Aviall Services,* 534 U.S. 157, 167 (2004) (the "settled rule" is "that we must, if possible, construe a statute to give every word some operative effect"); *United States v. Tsosie,* 376 F.3d 1210, 1217 (10th Cir. 2004) ("we are also guided by the traditional canon of statutory construction that courts should avoid statutory interpretations which render provisions superfluous"); *Foutz v. City of South Jordan,* 100 P.3d 1171, 1174 (Utah 2004) *quoting Perrine v. Kennecott Mining Corp.* 911 P.2d 1290, 1292 (Utah 1996) ("We strive to construe statutes in a manner that renders 'all parts thereof relevant and meaningful.'").

[23] *Qwest Corporation v. Montana Public Service Commission,* slip op. at 14.

that UNE prices in their interconnection agreement will be based upon a pricing methodology other then TELRIC. Because their agreement would relate to Section 251 UNEs, it would still be an "interconnection agreement" subject to the Section 252 filing requirement even though the parties agreed to terms "without regard to the standards set forth in subsections (b) and (c) of section 251."[24]

This hypothetical situation stands in sharp contrast to the Commercial Agreement in which Qwest is providing Covad with access to a network element that the FCC has ruled are not required by Section 251. Because the FCC has removed line sharing from Section 251, the Agreement does not implement any Section 251 requirement. Qwest and Covad have thus not agreed to a different "standard" in implementing a Section 251 obligation; they have agreed instead to a wholly different type of access to services than Section 251 requires. Since this form of access is not required by Section 251, as the Commission acknowledges, the Commercial Agreement is not subject to the Commission's approval. If it were otherwise – if the "without regard to" language required carriers to file agreements of this type for approval – there would be no practical limit on the agreements over which state commissions would have jurisdiction.

D. The Supplemental Authorities Staff Cites Are Distinguishable Or Are Wrongly Decided.

Instead of addressing the lone federal court decision involving line sharing and the Section 252 filing requirement, Staff's brief focuses on three other decisions involving a different commercial agreement – the "QPP Master Services Agreement" – and different network elements. Those decisions are distinguishable and, further, are wrongly decided.

First, Staff contends that the Commission's decision in *In the Matter of the Application of MCImetro for Approval of QPP Master Service Agreement*[25] ("*QPP Docket*") dictates that Qwest

[24] A state commission could still reject such an agreement if the terms were discriminatory or inconsistent with the public interest. *See* Section 252(e)(2)(A).
[25] Docket Nos. T-0105 1B-04-0540, T-03574A-04-0540, Decision No. 68116.

and Covad must submit the Commercial Agreement for approval.[26] However, as Qwest discusses in its supplemental brief, the Commission's reasoning in that decision does not apply here because: (1) line sharing is not a "network element" within Section 153(29); (2) the line sharing service offered under the Commercial Agreement is not used in combination with a Section 251 service offered under the Qwest/Covad Section 252 interconnection agreement, and, therefore, there is no basis for concluding that the Commercial Agreement and the ICA are integrated; and (3) unlike the switching and shared transport elements addressed in the QPP Agreement, line sharing is not among the elements Bell Operating Companies are required to provide under Section 271.[27]

Second, Staff cites the decisions of the Colorado and Utah federal district courts in which those courts found that the QPP Agreement is subject to the Section 252 filing requirement. However, for the same reasons discussed above in connection with this Commission's ruling in the *QPP Docket*, the fact that these decisions did not involve a commercial agreement for line sharing distinguishes them from this case. In addition, in each decision, the court determined that the QPP Agreement is subject to review and approval by applying a filing standard that conflicts with the *Declaratory Order* and the language of Section 252.

Thus, the Utah court ruled that "any agreement entered into by competing carriers that implicates issues addressed by the Act is an interconnection agreement" that must be filed under Section 252.[28] The Colorado court ruled that an agreement devoid of any Section 251(b) or (c) duties is nonetheless an interconnection agreement subject to the filing requirement.[29] These rulings, which Qwest has appealed to the Tenth Circuit, conflict directly with the language of Section 252 discussed above and the FCC's ruling in the *Declaratory Order* that "only those

---

[26] Staff Br. at 6.
[27] These distinctions are described fully in Qwest's supplemental brief at pages 12-15.
[28] *Qwest Corporation v. Public Utilities Commission of Utah*, Case No. 2:04-CV-1136 TC, Order and Memorandum Decision at 14 (D. Utah Nov. 14, 2005).
[29] *Qwest Corporation v. Public Utilities Commission of Colorado,* Civil Action No. 04-D-02596-WYD-MJW, slip op. at 9 (D. Colo. March 24, 2006).

agreements that contain an ongoing obligation relating to section 251(b) or (c) must be filed under 252(a)(1) . . . ."[30]

E. The Act's De-Regulatory Objectives Provide A Compelling Policy Basis For Not Requiring State Commission Approval Of Non-251 Commercial Agreements.

Staff also contends that a requirement for carriers to file non-251 commercial agreements for approval by state commissions "is also supported from a policy perspective." According to Staff, there is "no logical reason" why commercial agreements involving non-251 network elements "that the ILEC chooses to offer on a voluntary basis" should not be subject to the same filing requirements as interconnection agreements involving UNEs that ILECs are compelled to provide under Section 251(c)(3). This contention ignores a fundamental, Congressionally-mandated objective of the Act, which is to minimize or eliminate regulation when competitive conditions exist. This mandated objective provides more than a "logical reason" for treating the Commercial Agreement differently from an ICA; indeed, it compels that result.

While a critical objective of the Act is to open telecommunications markets to competition, Congress also intended that the Act would be de-regulatory and that the regulation of markets would decrease or cease altogether when markets become competitive. The legislative history includes several statements clearly demonstrating Congress' objective of eliminating regulation where there is competition. For example, a statement in the House Report emphasizes that the "architecture" of the House version of the Act "preserves existing 'rules of the road' while market forces are permitted to develop, *but which cease to have effect when those forces have developed to the point that they are sufficient to protect consumers.*"[31] The House Report emphasizes further that the "primary purpose" of its version of the Act was "to increase

---

[30] *Declaratory Order* at ¶ 8 n.26. Without providing any discussion of the case, Staff also cites *Verizon New England, Inc. v. Maine Public Utils. Commission*, 2006 WL 2007655 (D. Maine 2006). That case, however, did not involve application of the Section 252 filing requirement and therefore is not relevant to the question presented in this docket.

[31] H.R. Rep. 104-204(I) at 203 (emphasis added).

competition in telecommunications markets and *to provide for an orderly transition from a regulated market to a competitive and deregulated market.*"[32]

The Senate likewise described its version of the Act as providing for "a pro-competitive, de-regulatory national policy framework . . . ."[33] Thus, it emphasized that its version would "permit the FCC to reduce the regulatory burdens on the telephone company *when competition develops or when the FCC determines that relaxed regulation is in the public interest.*"[34]

Consistent with this Congressional intent, the Act expressly permits the FCC to eliminate the requirement for ILECs to provide unbundled access to a network element under Section 251(c)(3) if the FCC determines that CLECs will not be competitively impaired without regulated access to the element. As discussed, the FCC has exercised that authority with respect to line sharing based on a finding that there is a sufficient competitive supply of the element to eliminate the need for regulated unbundling under Section 251(c)(3). This ruling by the FCC implements the Act precisely as Congress intended. When there is a competitive supply of a network element that permits CLECs to obtain the element from a source other than the ILEC, the need for regulation falls away. Or, as stated in the House Report, the regulatory "rules of the road" should "cease to have effect when [market] forces have developed to the point that they are sufficient to protect consumers."[35]

Staff's contention that there is "no logical reason" to treat the Commercial Agreement differently from an ICA involving Section 251(c)(3) UNEs ignores this different regulatory framework that applies to network elements for which there is no competitive impairment. Staff would have the Commission apply a regulatory scheme reserved for Section 251 UNEs to the non-251 line sharing element that is now exempted from that scheme. As the FCC stated in a similar context, applying the Section 251/252 regulatory requirements to network elements that

---

[32] *Id.* at 68.
[33] S. Rep. 104-23 at 1 (emphasis added).
[34] *Id.* at 5 (emphasis added).
[35] H.R. Rep. 104-204(I) at 203 (emphasis added).

have been removed from Section 251 "gratuitously reimpose[s] the very same requirements that [Section 251] has eliminated."[36]

Relatedly, Staff's brief also is silent on the importance of voluntary, negotiated commercial agreements to the goals of the Act. The FCC has consistently emphasized the importance of commercial agreements and has specifically "called on industry participants to engage in 'good faith negotiations to arrive at commercially acceptable arrangements'" with respect to network elements that ILECs are no longer required to provide under Section 251(c).[37] In this regard, the FCC has characterized its filing standard adopted in the *Declaratory Order* as recognizing "the statutory balance between the rights of competitive LECs to obtain interconnection terms . . . and *removing unnecessary regulatory impediments to commercial relations* between incumbent and competitive LECs."[38]

Requiring Qwest and Covad to submit the Commercial Agreement for approval would result in the Commission continuing to impose "unnecessary regulatory impediments" on commercial relations involving line sharing despite the FCC's determination that application of the Section 251/252 regulatory framework is no longer necessary to competition. Indeed, if state commissions exercise regulatory authority over the prices and other essential terms and conditions in commercial agreements that will create a significant disincentive for ILECs and CLECs to negotiate and enter into voluntary commercial agreements.

Finally, there is no merit to Staff's argument that review and approval of non-251 commercial agreements is necessary to prevent discrimination. This argument fails to recognize that the FCC has authority to protect against discrimination. Sections 201(b) and 202(a) (original provisions of the 1934 Communications Act) prohibit carriers from using "charges" and "classifications" or engaging in "practices" that are discriminatory, unjust, or unreasonable, and

---

[36] *TRO*, ¶ 659.

[37] *Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*, Notice of Proposed Rulemaking, 18 FCC Rcd. 18945 ¶ 7 (FCC rel. Sep. 15, 2003) (citations omitted).

[38] *Declaratory Order*, ¶ 8 (emphasis added).

Section 208 gives the FCC jurisdiction to enforce these prohibitions. Further, Section 211(a) requires all agreements between Qwest and other carriers "in relation to any traffic affected by the provisions of this Act" to be filed with the FCC. The FCC has determined that carriers may satisfy this requirement by providing these agreements for inspection at a centralized location.[39] If a carrier believes one of these agreements is discriminatory or otherwise does not comply with the Communications Act, it may file a complaint with the FCC.[40]

Consistent with the requirement in Section 211(a), Qwest provides commercial agreements to state commissions on an informational basis and posts the agreements on a website, thereby making them available for public review. Thus, Qwest provided the Commercial Agreement in this case and other commercial agreements to the commissions in its 14-state region on an informational basis. There is therefore no basis for Staff's assertion that application of the filing standard set forth in the *Declaratory Order* will open the door to discrimination and other actions that are not in the public interest.

III. Conclusion

For the reasons stated here and in Qwest's prior briefs submitted in this docket, the Commission should determine that the Commercial Agreement is not subject to the filing and review requirements of Section 252 and should close this docket.

///

///

///

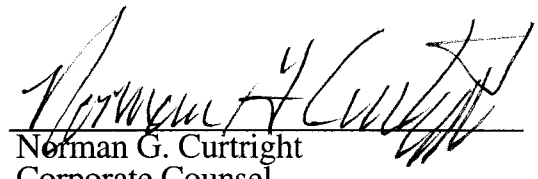
///

[39] 47 C.F.R. § 43.51.

[40] 47 U.S.C. § 208; Memorandum Opinion, Order and Request for Further Comments, *Interconnection Arrangements Between and Among the Domestic and International Record Carriers*, 93 F.C.C.2d 845, ¶ 22 (1983).

DATED this 25th day of August, 2006.

QWEST CORPORATION

By: 

Norman G. Curtright
Corporate Counsel
20 East Thomas Road, 16th Floor
Phoenix, Arizona 85012
Telephone: (602) 630-2187

Original and 13 copies of the foregoing
were filed this 25th day of August, 2006 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Copies of the foregoing hand-delivered/mailed
this 25th day of August, 2006 to:

Maureen Scott, Esq.
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Christopher Kempley, Esq.
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Michael W. Patten
Roshka De Wulf & Patten
One Arizona Center
400 E. Van Buren Street
Suite 800
Phoenix, AZ 85007

Gregory T. Diamond
Senior Counsel
Covad Commissions Company
7901 Lowry Boulevard
Denver, CO 80230